**Rao Bahadur Rajyasevanirata Dr. N. Kunjan Pillai:** No, Sir, I am not saying anything. The recruitment of the clerical staff in the Army uesd to be made by the Commandant. But now the Government have ordered that this recruitment should be made by the Public Service Commissioner. As far as the recruitment to the Army is concerned, I am afraid it cannot be done satisfactorily by the Public Service Commissioner, and it must continue to be in the hands of the Commandant. As regards the Devaswom Department, which is not open to all classes of people it is not possible to bring that department within the purview of the Public Service Commissioner. But I may assure the House that due regard will be given to the claims of all the communities who are eligible for appointments in that department.

Dr. Nokes already informed the House that whenever he had found any difficulty in the practical working of the rules suitable amendments were recommended and sanctioned. These rules ought to be given a fair trial. Whenever minor alterations are found necessary they will be made.

With regard to the allegation made by some honourable members that many appointments advised by the Public Service Commissioner were turned down by Government the Commissioner himself explained that out of the 2,000 appointments advised by him not a single one was turned down by Government. I do not know why my honourable friend Mr. Kuruvilla still suspects that the appointments made by the Commissioner were interferred with by Government.

The motion was put to the vote and carried.

The Grant was made.

## DEMAND XIV—GENERAL ADMINISTRATION FINANCIAL SECRETARIAT AND ACCOUNT OFFICE.

**Rao Bahadur A. Rengaswami Aiyar:** Sir, I rise to move for a grant not exceeding Rs 2,06,147 under demand XIV General administration Financial Secretariat and Account Office.

**Mr. M. S. Anirudhan:** I take this opportunity to offer a few remarks on the policy of administration of the Secretariat including the Financial Secretariat and Account Office.

**President:** The honourable member can only offer observations on the Financial Secretariat and Account Office. He cannot offer any remarks on other aspects of the General Administration which have already been voted upon.

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**Mr. M. S. Anirudhan:** In this connection I have to bring to your kind notice the interpellation put by me in which I have said that there is a Section in the Secretariat, *viz.*, the Account Section and that is not properly audited. Under the head Miscellaneous and Contingencies a huge amount is alloted and I am informed that this Account Section is handling that amount. It is a surprise for me that it is being left un-audited. Sir, every pie that is collected from the tax-payer has to be accounted for.

**Mr. Kottur Kunjukrishna Pillai:** May I know who is the informer of the honourable member?

**Mr. M. S. Anirudhan:** Sir, I got the information from the answer given by the Government to my interpellation.

**Rao Bahadur Rajyasevaviirata Dr. N. Kunjan Pillai:** Sir, may I correct the honourable member? I said that the accounts are not audited by the outside branch of the Account Office but by the Account Officer.

**Mr. M. S. Anirudhan:** My question was whether it was ever audited. The answer I got was that it is never audited. That is an information which is very alarming.

Another point which I have to refer to is the appointments and promotions made in the Account Office and the Financial Secretariat. In this respect much room is given for favouritism and nepotism. I submit that such a contingency should not be given rise to.

Another thing that I have to bring to your notice is about the bifurcation of Accounts and Finance. Going through the several allotments made for the Account Office and the Financial Secretariat it will be seen that during the year 1110 the amount allotted for the Account Office was Rs. 1,72,616, in 1111, Rs. 1,93,381 out of which Rs. 15,000 was set apart for the bifurcation. In 1112 the amount allotted for the Account Office was Rs. 1,78,946 and for the Finance Department Rs. 27,982. Again coming to 1113 the amount set apart for the Account Office is Rs. 1,96,154 and the Financial Secretariat Rs. 33,537. From these figures, I find that in spite of the bifurcation of the Finance Department from the Account Office the expenditure of the department is not reduced. On the other hand, every year the expenditure on both sides, on the finance side and the account side is increasing. That is a very unfortunate circumstance. So far as I know, in a State like ours these two Departments need not be separated. We are having a very top heavy administration and our policy should be to reduce expenditure to the minimum. In this respect I would bring to your kind notice that at this rate I do not really know whither it would land us to.

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**Mr. G. Narayana Aiyar**: Sir, I oppose the demand. From the Financial Secretary's speech we do not know what is the position of the Government Servants Insurance branch. We are only given details about the State Life Insurance Public Branch. The Government Servants Branch does not find a place in it. I don't know whether that also is included with this. "State Life Insurance Public Branch". That is the heading given there. At page 31 it is stated "The State Life Insurance Public Branch, introduced with effect from 1st Meenom 1109, with a view to afford facilities in the matter of insurance to the subjects of the State for making provision for themselves in their old age and also for their families, is working very successfully. 4,010 proposals for over Rs. 37½ lakhs were received during the short period of 3 years and 3 months and policies in respect of 2,810 proposals assuring over Rs. 25 laks have been issued. For 1113, the receipts are expected to be Rs. 1·30 lakhs and the expenditure Rs. ·20 of a lakh, the expense ratio being nearly 15 per cent only." For such a branch which has now an investment of nearly 37½ lakhs of rupees to say that it is managed by a second grade clerk alone, is very ridiculous. The whole responsibility of managing the Public Life Insurance Branch is shoved upon a second grade clerk who takes the responsibility to deal with the whole business. I submit Sir, that the confidence of the public with regard to the efficient working of this branch is now on the decrease. This can be seen from the fact that the number of proposals is going down instead of going up. Complaints about the delay in the issue of policies are frequent. The policy holders are asked to pay their amounts before receiving policies. The issuing of policies is being indefinitely postponed. If a full-time Superintendent is to look after this work then I think many of the complaints can be avoided. Now the only responsible officer is the clerk himself. For this branch of administration there is the absolute necessity for appointing an Actuary who is specialised with the audit and other works connected with insurance. An Actuary is an essential necessity. All the modern Insurance Companies engage permanently full time Actuaries in their offices. Therefore to look after the work of this branch of insurance with an investment of more than 37 lakhs of rupees an efficient and qualified Actuary should be appointed.

Then coming to the valuation of business I may say that it must be done at least once in three years. Annual valuation is conducted by most of the Insurance Companies to make sure of their ground, for example to see whether they can maintain the bonus they have declared. In some insurance companies valuation

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is done yearly though the result of the valuation are not made available to the public. This can also be adopted in our Life Insurance Branch of the Account Office. The calculation of surrender values, calculation of the amount when a policy is lapsed, and paid up policy is issued, readjustment of premia, calculation of extra premia in cases of lives which are not medically select, and lives involving extra risks on account of occupation or residence or bad family history, these are works which are to be attended to by an Actuary. It is not possible for an auditor of the Account Office to do it satisfactorily. That work requires expert knowledge in detail. These duties are of frequent occurence ; engaging and consulting an Actuary at every time would mean payment of fabulous sums of money as fees and considerable delay. Now 2810 proposals assuring over 25 lakhs of Rupees have been issued and these require a great amount of audit work. Sir, there is no construction of Mortality Tables for Travancore and revision of premia bassed on the tables. This requires a long time extending over two or three years and this has to be revised often to meet changing conditions. Our census statistics was tabulated by Mr. L. S. Vydianathan of the Oriental Life Insurance Co. Apart from the above work the actuary if employed can be asked to supervise other companies in Travancore just to safeguard public interests. Stressing once again the absolute necessity of appointing an Actuary in the Account Office to look after the work of the Insurance Branch I resume my seat.

**Mr. Kochikal P. Balakrishnan Tampi :** I rise to support the Demand. In doing so, I want to bring to the attention of this House the fact that, it was as a result of years of persistent agitation on the part of the representatives of the people that the Government have separated the Financial Secretariatd from the Account Office. In any well conceived system of public administration, it is quite necessary that both these functions should not be united in one body, in one office. I am also glad that an Expert has been got down from Madras to take charge of the new office. But, I am sorry that, as it often happens in Travancore, that the Government would seldom give an officer the work for which he is trained, the work for which he is fit, and the work for which he has been specifically got down. This new officer who has done very distinguished work in the Account Department of the Government of India and whose experience of work in the Financial Secretariat has not been much, has been made the Financial Secretary here. Sir, the Government of Travancore has a queer sense of humour, and they appoint an

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Industrial Expert in the Registration office, depute an expert in co-operation for transporting articles from place to place, and for that matter, put an expert in sciences and agriculture in the Chief Secretary's chair. It is therefore no wonder that this expert in public account has been asked to give financial advice to the Government. I would therefore suggest that Government should avail themselves of the presence of Mr. Rengaswami Aiyar in our midst, and see that his advice is obtained to modernise the Account Department.

**Mr. N. Abdur Rahiman Sahib** : Sir, even after the separation of Accounts from Finance, there has been no satisfactory improvement in audit. Even now we hear of misappropriations and defalcations in the Capital itself. The other day we heard of misappropriation in the Commandant's office and in the Arts College. I do not know the result of the audit in these two offices. When we were told that these two offices were to be separated, we reasonably expected more efficient auditing ; we thought there would be no room for complaint, nor any leakage of public funds. If the old state of affairs is going to continue, there is absolutely no justification for the separation of these two departments. Certainly, this separation must lead to satisfactory results. But, we are really disappointed at the results ; as I have already stated, there have been cases of misappropriation in the Capital itself. If that is the case in the Capital, I do not know what exactly is the position in the mofussil.

In this connection, Sir, I wish to bring to the notice of the Financial Secretary the great difficulty and inconvenience caused to the public by the circulation of bad and false coins in the bazaars of the State. Whoever may be responsible for this state of affairs, it is high time that it is put an end to. We have a very well organised C. I. D. Still, the number of cases of counterfeiting is on the increase. Government have under them a number of experts, and there is therefore absolutely no justification in allowing these malpractices to continue.

Sir, a word regarding the better representation of the backward communities in the Account Office and in the Financial Secretariat. Many of the backward communities, including my own community, are not adequately represented in these two offices.

**Mr. R. V. Thomas** : I rise to bring to the notice of the Government the fact that the public of Travancore view with disfavour the present policy of the Government in extending the services of superannuated officers and also in bringing down retired officers from outside. Sir, this is not *condusive* to the efficiency of service.



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**Mr. K. M. Korah.** I rise to oppose the Demand. I may say that, here also, the principle of communal representation may be followed. It is really very painful to see that, when we press for communal representation, some kind of uneasiness is visible on the part of some of the honourable members of this House. It is equally painful to hear them advancing arguments of traditional efficiency and character. There was a time in Travancore itself when everybody thought that the Brahmin alone was fit enough to occupy positions of responsibility and power. To this, there was a revolt—I am referring to the Malayalee Memorial—and the members of the community who prominently led the agitation were appointed to some of the higher offices. Now we find that efficiency has not in any way been affected by such appointments. Therefore, Sir, questions of tradition and efficiency have their origin, so far as the higher appointments are concerned, only from the date of that agitation which I have already referred to. Sir, in recent years, we, the members of the poorly represented communities have been tried for some of the high and responsible posts. We have not failed. In these circumstances, I cannot understand why those arguments about tradition and efficiency are being repeated whenever we raise this question of communal representation. Sir, the qualities of efficiency and character are found in every community in the State. (*Hear, hear.*) With regard to my own community, Sir, I can boldly assert that we are not behind any other community in Travancore, in point of character, efficiency or educational qualification.

**Mr. K. R. Elankath:** Who disputed that?

**Mr. K. M. Korah:** If Travancoreans belonging to these inadequately represented communities can fare very well outside Travancore, and even here, as I have already stated, I do not see any reason why this argument about tradition should always be repeated.

Coming now to the inequalities of the community to which I belong, the Syrian Catholic Community, the inequality is so glaring that I am forced to say that we are being almost neglected. In most of the departments you find the conspicuous absence of the Syrian Catholics. I do not mean to say that not even a single Syrian Catholic has been appointed; but we are so poorly represented. Judged by population, by the contribution that we make towards educational progress or from any other point of view, we stand equal if not superior to any other community in the State. I therefore request the Government to modify the Public Service Recruitment G. O. in such a way that we may get the opportunities that we deserve to serve the Government and the public.

With regard to acting hands, I suggest that the principle of communal rotation may be followed. I would also suggest the

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establishment of an advisory board especially consisting of members of the unrepresented communities.

Except for the lower grade the present G. O. on Public Service is quite inadequate, and require modification. I request the Government to take immediate action in the matter and to make suitable modifications so that at least in the near future we can get adequate representation in the public service.

**Mr. Kottur Kunjukrishna Pillai :** Sir, it was, I believe, at the instance of the representatives of the public who agitated for a long period in the Sri Mulam Popular Assembly, in the old Legislative Council, and latter in the Sri Mulam Assembly and in the Sri Chitra State Council, that this very necessary reform of separation of Accounts from Finance has been effected. I was really surprised to find representatives of the people opposing this reform which is advocated by all progressive minded people. All progressive administrations have adopted it.

Sir, it has been pointed out that, in spite of this separation of Finance from Accounts, there have been defalcations in certain departments. Such defalcations have been referred to in order to point out that there has been no proper auditing in spite of the separation. Sir, it is very difficult for me to understand what exactly is the meaning by that argument. May I ask in all humility how were these defalcations discovered except by auditing, efficient auditing? Sir, auditing is not intended and cannot prevent defalcation. It can only find out-defalcations where they have been committed.

In this connection, Sir, I would strongly urge the appointment of an independent Auditor-General in order to make our system of Finance and Accounts perfect. The Public Accounts Committee can get information of the working of various departments and can efficiently function only if such an independent officer comes into existence. I have been advocating this even from the time when we all unanimously advocated the separation of Finance from Accounts.

Sir, I did not at all think it necessary to refer to the question of communal representation ; because, it irritates some honourable members ; it is so far as I am concerned. But I want to make one point clear without being offensive. Nobody for a moment said that efficiency is the monopoly of any one community It seems that, when we talk of efficiency it presupposes, according to some honourable members that, according to us, efficiency is the monopoly of certain communities. Sir, it is queer logic, so far as I can see. As

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a matter of fact, I believe that there are efficient people in all communities. Now, Sir, if my friends grant it is so, why should they, in the same breath, plead for special consideration for certain communities? If all are equally efficient, why not come in through the door of open competition? Sir, this was the reason why I asked my esteemed friend Mr. Ismail why he fought shy of efficiency, and tests and examinations for efficiency. Sir, I did not put that question with a view to suggest that his community, or for that matter any other community, was lacking in efficient men. Far from it. On the other hand, it was because I believe that all communities are equally efficient and therefore must be prepared to come and fight in the open that I ask that question. If my friend has that confidence in the innate capacity of his community, why not they try in open competition?

**Mr. T. Mahomed Ismail:** We are quite prepared if we are given an opportunity.

**Mr. Kottur Kunjukrishna Pillai:** Sir, I did not want any assurance from the member; I was only clearing the point which has been raised. There is absolutely no question of the preparedness or otherwise of any particular community. I only wanted to clear the wrong impression that, because we stressed the question of efficiency, we questioned the efficiency of certain communities and maintained that efficiency was the monopoly of our community.

**Mr. T. Mahomed Ismail:** Sir, when I questioned Mr. Tampi whether efficiency was the monopoly of any community, he said 'Yes' and added that his community more or less had that monopoly.

**Mr. Kottur Kunjukrishna Pillai:** Sir, I am not called upon to answer for my honourable friend Mr. Balakrishnan Tampi; he is well able to defend himself. Sir, I was closely listening to the debate, and, if I remember right, what he said when Mr. Ismail interjected him was that it might be that certain communities who are accustomed to hold offices and to be in particular kinds of jobs for the State, that it was likely that such communities might contain a larger proportion of efficient hands for that particular kind of work than the other communities who had not had such opportunities. I think, Sir, that is an absolutely unexceptionable statement.

**Mr. T. Mahomed Ismail:** That is not what he said.

**Mr. Kottur Kunjukrishna Pillai:** My honourable friend is at liberty to hold his view; he always wants to misunderstand and to accuse us of things which we never meant.

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**Mr. T. Mahomed Ismail :** Sir, I am quite prepared and I can understand very well every statement that is made here.

**Mr. Kottur Kunjukrishna Pillai :** I do not yield ; I do not know what the member is doing ; it is neither a question nor a personal explanation.

For the last time, Sir, I want to make it absolutely clear, make it plain as far as it lies in my power, that we have never said that efficiency is the monopoly of any community. Far from it. We are saying, on the other hand, that all communities are efficient; and we are sportingly asking why, if that statement is correct, every one should not compete on the basis of absolute equality. We are even prepared to appreciate the claims for some preference of certain communities who on account of custom were prevented in the past from having free access to educational institutions. It is true that due to customs that were prevalent in the country then, certain communities are backward in some respects. We are therefore agreeable for some concessions being shown to such communities, and even to the community of my honourable friend Mr. Ismail who refrained from resorting to educational institutions not on account of any obstruction by the Government or by custom but by their own free choice. We are very glad to find that it has now been very authoritatively stated by my friend Mr. Kuruvilla that that was all what even the members of his party were asking for. That is a very unexceptionable proposition ; and I think it is that policy that the Government are following. I do not see why some people, in the guise of defending a particular community, should fight against imaginary ghosts, should raise scares and fight them. I cannot understand the importance of it. Perhaps it may be necessary for those who want to feather their nest but it is not in the public interest. It is not in the interests of such communities, certainly to prop up and create an impression that there is inequality, that there is injustice and in other ways creating a false impression. It may be quite good for individual purposes. But I cannot understand honestly that it serves any public purpose or promotes communal amity or furthers the cause of the communities which they are supposed to advocate.

**Rao Bahadur A. Rengaswami Aiyar :** Sir, one honourable member stated that there is no audit in regard to Secretariat bills. The Secretariat bills are prepared and audited in the same manner as the bills of other departments. The bills are prepared by the officer in charge of the Secretariat and they are supported by vouchers. The bills are then sent to the Account Office for the pre-audit where they are checked and paid. The rules and orders necessary for admitting the expenditure are carried out in the same manner as for any other department. Even in

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regard to the special expenditure the rules and orders are observed, in the case of the Secretariat. Probably what the member meant was that there is no local audit. There is no need for it. The transactions in the Secretariat are not very special and there is no justification for undertaking any local audit and increasing the expenditure thereby.

The very same member stated that bifurcation of the Financial Secretariat from the Account Office has not resulted in any economy. It was not expected that the bifurcation would result in an economy. The additional expenditure on account of the bifurcation is only Rs. 16,000. The financial Secretary is now doing not only financial work but also railway work. So the cost is at its very minimum. As replied to by another member and as I pointed out elsewhere, the necessity for the bifurcation is twofold; first to relieve the Account Officer from the miscellanous kind of financial work he had to attend to previously and to give him more time to devote to the regular audit and accounting work. These two duties are essentially different and inconsistent one with the other. The head of the Government and the Chief Secretary are entitled to the assistance of a separate Financial Secretary. That in brief, is the reason for the introduction of the bifurcation that has been adopted. As has already been pointed out, that bifurcation was the result of a persistent and long-standing agitation from the legislature for several years.

As regards the Government Servants' Insurance Branch about which the honourable member Mr. G. Narayana Aiyar spoke, my report does not contain anything about that insurance branch because there is nothing special about it. The figures regarding insurance will be found at page 12 of the Budget. The Public Servants' Branch amounts to Rs. 4 lakhs and the Public Branch amounts to 3 lakhs. After all, the life insurance accounts are very simple. The tables have already beeen drawn up. The rates have been fixed in consultation with an actuary. Once they are fixed, they are not altered until after 5 years. Meanwhile the duty of the Account Office is to get the premia and enter them in the accounts. When the policies are due for payment the payments have to be made on a reference to the tables. It is only once in five years that the quinquennial valuation has to be made. For this we send the papers to the actuary in Bombay and get the work done on payment of a small amount. There is no day to day work for an actuary in the life insurance branch and so it is unnecessary expenditure to keep a man who will be unemployed for the rest of the period. Therefore there is no justification for the appointment of a whole-time actuary.

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As regards the delays complained of by him, in this year's budget we have provided for a whole-time section head. We have also sanctioned one or two clerks. Then, the Account Officer himself is in personal charge of the insurance branch. I do not think it is necessary to strengthen that branch further as things stand at present.

In regard to the communal question, of course I am not called upon to say anything. About the new appointments I have only to say that they are all made by the Public Service Commissioner in accordance with the rules for the purpose. There is nothing special about it. As regards the point raised by one honourable member I may say that in a small office like mine which consists of not more than 10 clerks I have got two clerks belonging to his community. I think that ought to satisfy the honourable member.

Mention was made about bad coins. We are minting coins and we are trying to make it more difficult to counterfeit. We have appointed a coin expert in the C. I. D. and we hope that some improvement will be effected as a result of this measure, and that it will be possible to detect counterfeiting and bring to book the parties concerned.

The honourable member Mr. Kottur Kunjukrishna Pillai referred to the appointment of an independent audit officer. Sir, there is no case for the appointment of an independent audit officer in a supreme Government like that of Travancore, I mean, in a Government which is not subordinate to any other Government. In the Government of India and the local Governments which were under the Secretary of State, there was a necessity for the appointment of an independent Auditor-General, but under the Government of India Act after the grant of provincial autonomy, there is special provision for the appointment of Provincial Auditors General. In Travancore, where the Government is not subordinate to any other Government there is no justification for the appointment of an independent audit officer. Now, the present Account Officer is subordinate only to the Government. He is not subordinate either to the Chief Secretary or to the Financial Secretary. So he has got more facilities for exercising his duties and carrying out his work properly and independently of any influence or pressure from outside. He owes allegiance only to the Dewan and the Government and I do not think that any change in the existing system is necessary.

I think one honourable member made a personal reference to me and stated that I should be better employed in the accounts side than in the financial side. Sir, even at present I am advising Government on the audit side although I am not responsible

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directly for the efficiency of the audit arrangements. So the State is getting the benefit of my experience and my advice on audit matters also.

As regards defalcation in some offices, the audit officer has now more time to devote his attention wholly to the audit of accounts. Of course under no circumstances will misappropriation be avoided altogether. It will be going on. All that we can do is to minimise it. For that purpose we have provided an audit officer with a machinery and it is his duty to devote his time to it. The departmental officers are also responsible for these misappropriations and not merely the audit officers.

**Mr. K. R. Elankath:** Could it not be minimised to any extent?

**Rao Bahadur A. Rengaswami Aiyar:** It can never be. Human nature being what it is, there will be defalcations now and then, here and there. All that we can do is to see that the audit officers are alert and that the departmental officers are alert.

The motion that Government be granted a sum of Rs. 2,06,147 under Demand XIV—Financial Secretariat and Account Office was put and carried.

The grant was made.

## DEMAND XV—POLICE.

**Mr. R. Pitchu Aiyangar:** Sir, I rise to move for a grant of Rs. 7,59,451 under Demand XV—Police.

**Mr. Nedumangad R. Kesavan Nair:** Sir, I oppose the grant being made. I am opposing it not because I have got any complaints to be made against the inspection by the Commissioner, not because my complaint is that the administration is top-heavy but because of certain instincts, the instinct of self-preservation that is in man. The Inspectorate of the Police Department is at present causing considerable havoc among the public. In answer to an interpellation that I put to the Commissioner he stated that three cases are now pending enquiry against a few Inspectors. Sir, we are now enjoying the calm of a quiet reign. We have the pleasure of the consciousness that our person is secure, but all the same, day after day we find that assaults on innocent persons are on the increase. My honourable friend Mr. Abdur Rahiman Sahib pointedly put a question to the Commissioner of Police as to what he has done in regard to the allegations made against an young Inspector, an Inspector who was only for a year

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